

From: Tim Breaux
To: Microsoft ATR
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Subject: Comments on the Microsoft penalty

Gentlemen-

I was more than shocked to note that the penalty phase of the Microsoft anti-trust trial did not actually apply any penalties after the court confirmed that the anti trust infraction had occurred in fact. Microsoft has always manufactured inferior products (with only one historical exception) and bludgeoned their competitors through intimidation and through extending their operating system monopoly to other services. Microsoft (according to the court) maintained their operating system monopoly. I certainly agree with this finding. Their ensuing success with Microsoft Office and Internet explorer was based ONLY on the pre-existing power of their operating system monopoly and not on the strength of the products. Microsoft's tactics has generally been to release inferior products, give them away as part of a "deal" with the operating system, get them entrenched, and then slowly upgrade quality. This give Microsoft years to complete development of a product, where competitors need to create a great one out of the gate, and then maintain superior function in perpetuity.

The only product that Microsoft ever introduced that was a credible competitor to its peers (at introduction) was Excel. Excel was introduced in the late 1980s and was superior to the entrenched competitor (Lotus 1-2-3) but (humorously) did not run on Windows because Windows was not yet capable enough. Excel was introduced on the Macintosh. Hmmm. I wonder where Microsoft got the display ideas to make Excel function on Windows?

Microsoft deserves to incur a real penalty. The penalty should include:

- 1) Pricing of the MS operating systems must be separate from the purchase of a PC. That would let competitors actually compete. Even on price. Imagine that.
- 2) Microsoft must publish of file standards for all Microsoft application products, particularly Microsoft Office products. That way, competitors with better products could displace them
- 3) Microsoft should be precluded from using any API (application programming interface) to Windows that they have not published. That way, others could use their monopoly as well as they do. Microsoft would still have a timing advantage, as they would always help themselves first (that is they would release their APIs internally before they would externally) but Microsoft actually is not that strong at development, so they would still lose some market share over this.
- 4) Any network protocol that Microsoft releases should be approved by an independent protocol committee, to preclude Microsoft from using its existing monopoly base to supplant the heterogeneity of the internet.

I am happy to discuss this further.

TSB

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